

**CITY COUNCIL OF THE CITY OF SAN DIEGO  
SUPPLEMENTAL DOCKET NUMBER 2  
FOR THE REGULAR MEETING OF  
MONDAY, MARCH 7, 2005 AT 2:00 P.M.  
CITY ADMINISTRATION BUILDING  
COUNCIL CHAMBERS – 12<sup>TH</sup> FLOOR  
202 “C” STREET  
SAN DIEGO, CA 92101**

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**SPECIAL ORDER OF BUSINESS**

ITEM-S401: San Diego Opera Day.

**MAYOR MURPUY’S RECOMMENDATION:**

Adopt the following resolution:

(R-2005-906)

Recognizing San Diego Opera for being an invaluable cultural resource in San Diego;

Proclaiming March 7, 2005, to be “San Diego Opera Day” in the City of San Diego.

**ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS**  
**ORDINANCE TO BE INTRODUCED:**

ITEM-S402: Amending the San Diego Municipal Code Relating to the Time for Hearing the Non-Agenda Public Comment.

(See memorandums from Deputy Mayor Michael Zucchet dated 2/28/2005 and City Attorney dated 3/2/2005.)

**TODAY'S ACTION IS:**

Introduce the following ordinance:

(O-2005-106)

Introduction of an Ordinance amending Chapter 2, Article 2, Division 1, of the San Diego Municipal Code by Amending Section 22.0101, entitled "Permanent Rules of the Council" by amending Rule 8, all relating to Non-Agenda Public Comment.

**ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS**  
**RESOLUTIONS:**

ITEM-S403: Payment of Attorney's Fees for City Witnesses in Connection with Securities and Exchange Commission and U.S. Attorney's Office Investigation into Financial Matters.

(See memorandum from City Attorney dated 3/3/2005.)

**CITY ATTORNEY'S RECOMMENDATION:**

Adopt the following resolution:

(R-2005-924)

Authorizing the additional expenditure of an amount not to exceed \$200,000 from the following accounts: \$120,560 from Fund No. 81140; \$50,180 from Fund No. 41506; and \$29,260 from Fund No. 41500, for the purpose of paying attorney's fees for the representation of any past and present City employees related to the interviews and proceedings described above, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer;

Declaring that the authorization for the above attorney's fees is to be suspended if criminal charges are brought against any such past or present City employee, and that the City shall reserve its right to terminate the payment of fees and seek reimbursement of fees paid in the event that criminal charges are brought against any official or employee, or if a conviction is obtained.

**SUPPORTING INFORMATION:**

In February of 2004, the Securities and Exchange Commission (SEC) and the U. S. Attorney's Office, informed the City that they were undertaking investigations into certain financial disclosure practices by the City. These investigations are ongoing and certain City employees have been asked to participate in interviews and proceedings, including compliance with subpoenas served on past and present employees, related to investigations by the SEC and the U.S. Attorney's Office.

In order to facilitate the conduct of necessary interviews and to cooperate with the ongoing investigations, and yet provide necessary advice to affected City officials and employees, on December 21, 2004, the City Council authorized \$150,000 to pay attorney's fees to one or more law firms to provide independent representation to past and present City employees related to the proceedings described above.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)  
RESOLUTIONS: (Continued)

ITEM-S403: (Continued)

**SUPPORTING INFORMATION:** (Continued)

Due to the complexity of the issues and the large number of documents that must be reviewed, the initial request for \$150,000 is not sufficient to provide for attorneys fees necessary to assist the City witnesses during their participation in the proceedings. Accordingly, this 1472 requests an additional amount, not to exceed \$200,000, and will be apportioned among affected past and present employees. The City Attorney will continue to monitor the contracts on behalf of the City. It is also recommended that the City again reserve its right to terminate the payment of fees and seek reimbursement of fees paid in the event that criminal charges are brought against any official or employee, or if a conviction is obtained.

Aquirrel/Ewell

Aud. Cert. 2500802.